

EXHIBIT 23

DECLARATION OF AMY K. DITTMAR

I, Amy K. Dittmar, declare as follows:

1. I am the Provost and Executive Vice President for William Marsh Rice University (“Rice University” or “Rice”) in Houston, Texas. I am also a Professor of Finance and Professor of Economics at Rice. I have held these positions since coming to Rice in August 2022. Before joining Rice, I was a faculty member at the University of Michigan in Ann Arbor, Michigan from 2003 to 2022. There, I also served as Senior Vice Provost of Academic and Budgetary Affairs from 2016 to 2022. I hold a Ph.D. in Finance from the University of North Carolina at Chapel Hill.

2. As Rice’s Provost and Executive Vice President, I have personal knowledge of the contents of this declaration, or have knowledge of the matters based on my review of information and records gathered by Rice personnel, and could testify thereto.

3. Rice receives substantial annual funding from the National Institutes of Health (“NIH”). For example, in Rice’s Fiscal Year 2024, which ran from July 1, 2023, through June 30, 2024, Rice received approximately \$43.1 million in NIH grants. Of this amount, approximately \$9.3 million came from NIH as reimbursement for Rice’s indirect costs. In Rice’s Fiscal Year 2025, which runs from July 1, 2024, through June 30, 2025, Rice projects it will receive approximately \$20.5 million in NIH grants. Of this amount, approximately \$11.6 million will be reimbursement for Rice’s indirect costs

4. The funding Rice receives from NIH supports critical and cutting-edge medical research, which millions of Americans benefit from and depend on. For example:

- a. A Rice research team is working to create technologies that help with early detection of cancer and pre-cancerous lesions in the uterine cervix, gastro-

intestinal tract (esophagus, stomach, colon, rectum, anus), and oral cavity. Early detection can improve cancer patients' outcomes and reduce the cost and pain of their treatment, especially in medically underserved areas, including rural areas in the United States.

- b. A team of engineers and clinicians from Rice, the University of Texas MD Anderson Cancer Center, and the University of Texas Health Science Center at Houston is working to develop a new and affordable microscope that will give cancer surgeons immediate images in the operating room. This will help cancer patients receive the best surgical care possible and reduce surgical centers' infrastructure costs by hundreds of thousands of dollars, greatly expanding the number of locations that can provide accurate tumor assessments during surgery.
- c. Another Rice research team is working to develop a therapeutic "off-the-shelf" cell therapy system that is intended to help treat Acute Respiratory Distress Syndrome (ARDS). ARDS affects over 300,000 Americans annually and has a mortality rate of 43% driven significantly by inflammation, specifically in the one-third of patients with hyperinflammatory ARDS.
- d. A different Rice research team is tracking the physical and mental wellbeing (caregiver burden, depression and grief) of a group of spousal caregivers who care for persons with dementia, which in 2020 was estimated to affect more than 7 million people ages 65 or older.

- e. Another Rice research team is helping develop a genome-editing based strategy that could be used to treat Sickle Cell Disease, a genetic disease that affects millions of people worldwide and approximately 100,000 Americans.

5. Indirect costs are essential for supporting this research. The NIH's proposal to cut indirect cost rates to 15% would end or seriously jeopardize all of the research projects described in paragraph 4.

6. Indirect costs from NIH help Rice purchase supplies to build and develop the new technology I have described. They also help Rice partly cover the cost of lab space where we actually build and test technology; pay Rice's water and power bills; pay the salaries of people who manage Rice's funding contract with NIH, issue subcontracts to Rice's partners, provide financial reports, maintain safe working conditions by providing hazardous waste disposal; cover the costs of institutional review boards, which ensure that all studies involving humans subjects are conducted ethically; and construct and maintain facilities required to meet the current technical requirements of advanced research.

7. Physical space costs are one of the largest components of indirect costs, and the amount of space available to researchers has a direct and obvious impact on the amount of research that can be done at Rice. NIH research requires lab operation systems that are much more expensive than other parts of the university. For example, labs require more heating, ventilation, and cooling (HVAC) units than do offices. These HVAC units are essential to ensure sterility and manage low and high humidity that can alter scientific test results. Some labs at Rice require limited vibrations due to specialty equipment. Other labs require higher energy costs to power vital

equipment; in general, labs use 5-10 times the energy used by other office buildings.¹ All of these needs are funded, in part, by indirect costs.

8. In addition, indirect costs fund the administration of awards, including staff who ensure compliance with a vast number of regulatory mandates from agencies such as NIH.² These mandates serve many important functions, including protecting human and animal subjects involved in research; ensuring research integrity; properly managing and disposing of chemical and biological agents used in research; preventing financial conflicts of interest; managing funds; preventing intellectual property, technologies, or national security expertise from being inappropriately accessed by foreign adversaries; and providing the high level of cybersecurity, data storage, and computing environments mandated for regulated data.

9. Recovery of Rice's indirect costs is based on predetermined rates that have been contractually negotiated with the federal government.

10. Through Rice's fiscal year 2025, its predetermined indirect cost rate is 56.5%.

11. The impact of a reduction in Rice's indirect cost rate would be devastating. Of the approximately \$43.1 in NIH funding that Rice received in Rice fiscal year 2024, approximately \$25.1 million was allocated for direct costs, approximately \$8.6 million for subcontracts (which are not eligible for overhead recovery), and approximately \$9.3 million for indirect costs. Similarly, in Rice fiscal year 2025, it expects to receive approximately \$20.5 million in NIH funding for direct costs and approximately \$11.6 million is allocated for indirect costs. Rice expects to receive similar direct and indirect cost recovery on an annual basis in the future.

¹ <https://www.nrel.gov/docs/fy08osti/29413.pdf>.

² <https://grants.nih.gov/grants/policy/nihgps/nihgps.pdf>

12. If—contrary to what Rice has negotiated with the federal government—the indirect cost rate is reduced to 15%, that would reduce Rice’s anticipated annual indirect cost recovery in Rice fiscal year 2025 by \$8.525 million, to \$3.075 million.

13. Rice has for decades relied on the payment of indirect costs. And until now, it has been able to rely on the well-established process for negotiating indirect cost rates with the government to inform its budgeting and planning. Operating budgets rely on an estimate of both direct and indirect sponsored funding to plan for annual staffing needs (*e.g.*, research administration staff and environmental health and safety), infrastructure support (*e.g.*, IT networks, regulatory compliance, and cybersecurity), and facility and equipment purchases. And in some cases, Rice has long-term obligations—for example, research lease obligations—that rely on indirect cost recovery to fulfill these commitments.

14. In addition to the immediate impacts and reliance interests described above, there are longer term impacts that are both cumulative and cascading. For example, reductions may cause safety issues from lack of staff and security, threats to research security and national security because of increased data access and theft by malicious actors, and the inability to restart research studies even if funding were restored.

15. Finally, slowdowns or halts in research by Rice and other American universities will allow competitor nations that are maintaining their investments in research to surpass the United States on this front, threatening both our Nation’s national security and its economic dominance.

16. Nor can Rice cover the funding gap itself. While Rice maintains an endowment, it is neither feasible nor sustainable for Rice to exclusively use endowment funds or other revenue sources to offset shortfalls in indirect cost recovery, for several reasons:

- a. A substantial amount of Rice's endowment is restricted to specific donor-designated purposes, such as scholarships, faculty chairs, and academic programs; or not immediately available because it has been committed through contracts to other purposes. Rice is not legally permitted to use, or timely use, those funds to cover research infrastructure costs.
- b. Also, the endowment is subject to a carefully managed annual payout, typically between 4.5% to 6.5%, to ensure Rice's long-term financial stability and continue to fund the Rice Investment, a financial aid program that covers full tuition, fees, and room and board for students whose family income is \$75,000 or below; covers full tuition for students whose family income is between \$75,000 and \$140,000; covers half tuition for students whose family income is between \$140,000 and \$200,000, assuming typical assets; and meets 100% of demonstrated financial need for students whose families do not fall within those income ranges.
- c. As a non-profit university, Rice reinvests nearly all its revenue into mission-critical activities, leaving little margin to absorb unexpected funding gaps. In other words, unlike for-profit organizations, Rice does not generate significant surpluses that could be redirected without impacting core academic priorities such as educational programs and financial aid support for students.

17. Moreover, absorbing the cost of a lower indirect cost rate, even if it were possible, would create long-term budget pressures on Rice—which would in turn force reductions in key investments supporting Rice’s faculty, students, staff, research, and teaching infrastructure, as well as other critical activities needed to maintain Rice’s academic excellence.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 10, 2025, at Houston, Texas.

/s/ Amy K. Dittmar
AMY K. DITTMAR